

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version:	HB 113
Fiscal Note Number:	2
(H) Publish Date:	2/24/2021

Identifier: LL0530-2-DCCED-DOI-02-09-21  
Title: HEALTH INS. ALL-PAYER CLAIMS DATABASE  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Insurance Operations  
Allocation: Insurance Operations  
OMB Component Number: 354

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	183.7		301.5	301.5	301.5	301.5	301.5
Travel	15.0		15.0	15.0	15.0	15.0	15.0
Services	30.0		75.0	75.0	45.0	45.0	45.0
Commodities	20.0		10.0				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>248.7</b>	<b>0.0</b>	<b>401.5</b>	<b>391.5</b>	<b>361.5</b>	<b>361.5</b>	<b>361.5</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	248.7		401.5	391.5	361.5	361.5	361.5
<b>Total</b>	<b>248.7</b>	<b>0.0</b>	<b>401.5</b>	<b>391.5</b>	<b>361.5</b>	<b>361.5</b>	<b>361.5</b>

## Positions

Full-time	2.0		3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/2021

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Office of Management and Budget

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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION

## Analysis

This bill directs the Department of Commerce, Community, and Economic Development through the Division of Insurance (DOI) to establish an All-Payer Claims Database (APCD). The APCD would collect de-identified health care claims data from insurers and providers to establish the cost of health care in Alaska. In addition to insurers and payers, it is expected that the Department of Health and Social Services (Medicaid) and the Department of Administration's Division of Retirement and Benefits will contribute to this database. On a voluntary basis, other employers will be encouraged to participate in the APCD as well.

The DOI anticipates the need for three full-time positions to successfully design and implement this program. In addition, DOI will need additional legal consultation from the Department of Law and support from the Office of Information Technology.

Costs included in this fiscal note:

Personal Svcs:	\$183.7 in FY2022, \$301.5 in FY2023 and beyond Program Coordinator I, Range 18, in Anchorage Administrative Assistant III, Range 15, in Anchorage Research Analyst IV, Range 21, in Anchorage starting in FY2023
Travel:	\$15.0 for periodic travel for program development and support
Services:	\$30.0 in FY2022-2024: Department of Law support for system implementation \$ 5.0 beginning in FY2026: Department of Law ongoing support \$30.0 in FY2022: Core services support for positions (\$15.0/PCN/year) \$45.0 beginning in FY2023: Ongoing core services support for positions
Commodities:	\$20.0 in FY2022: Setup and equipment costs for two new positions \$10.0 in FY2023: Setup and equipment costs for one new position

The DOI will procure a third-party database system for the APCD, and will require a multi-year capital appropriation for purchase, customization, implementation, and support of the database. The exact costs of the database are not yet known.

Proposed capital appropriation language:

The amount necessary for development, implementation, and support of the All-Payer Claims Database, not to exceed \$500,000, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Insurance Operations.

In December of 2020, Congress passed the No Surprise Act to address balance (or surprise) health care billings that consumers often receive when they receive health care services from an out-of-network provider. Section 115 of the No Surprise Act establishes a federal grant program to create and improve APCDs at the state level. While an appropriation has yet to be made, if federal funding becomes available, the DOI will submit a grant application to offset the general fund cost of the APCD.